COMMUNICATION

CRYPTO CURRENCY

[Assignment No. 1.3]

“If you don’t believe it or don’t get it, I don’t have the time to try to convince you, sorry.” these were the words spoken by Satoshi Nakamoto , the creator of Bitcoin . These words were said by him during a conversation with Dan Larimer where he was being criticized for the scalability of Bitcoin. Even though these words are now more than 10 years old the entirety of crypto market has sort of embraced the idea behind these words, which is, if you are not 100percent on board with crypto then you are against it. So for the next few minutes I would like to have a nuanced look at the current state of crypto and talk about its possible future.

The main principle that Bitcoin or any crypto currency is based on is blockchain . This technology was first hypothesized in 2008 when Satoshi published a paper on it in “white paper”. The main crux behind this technology is decentralization. It was created to take power away from traditional institutions and democratize anything and everything. In simple words blockchain is like a public ledger where anyone in the system can view it and update it and the proof of work is taken as proof of validity. Proof of work simply means the pure number crunching ability of a computer. Every block in the system is encoded between two keys, one from previous block and one from the proof of work. For every block added to the system the user is awarded a coin or token for their hard work. In crypto currencies this token is money. Every transaction that takes place within the system is recorded in the public ledger, hence it is secure and fraud free. It is said that for an attacker to successfully breach blockchain they would require control over more than 50 percent of the systems connected to the network, and mind you all these are independent systems with no direct connection to each other, this is what makes blockchain such a versatile technology. Even though blockchain has many uses the one that concerns us right now is its implementation in finance sector. The first ever transaction through bitcoin was done by Laszlo Hanyecz where he traded 10000 bitcoins for 2 pizzas, the value of which would surpass 600 million dollars today. This one example shows the volatility of the crypto market and why it is such a polarizing subject. A quick glance at its value chart will demonstrate its bizarre nature, recently a single tweet from Elon Musk led to a 15percent drop in the value of Bitcoin. Even though it has an active user base of about 300000 to 500000 people, many are still sceptical about its validity. Its staunch defenders will tell you that cryptocurrency will replace all currencies within the next 50 years whereas its critics think it’s just a fad that will die out within the next few years and discrediting any one of these sides would definitely be ignorant. Crypto users think cryptocurrencies to be the future because of their disdain and mistrust in traditional financial institutions like banks and governments due to growing corruption and inequality, whereas its critics believe that its just a matter of time before governments worldwide start enforcing laws against crypto trading. No one can predict the future of cryptocurrencies, but one thing is for certain, cryptos have definitely left their mark in history books . Regardless of whether future generations look at it as a revolutionary piece of technology or a madman’s dream crypto currencies have definitely influenced 21st century like no other piece of technology. Thank You.

